

EXHIBIT C

2008 05 27 Final Transcript of Carpenter Deposition.txt

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UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

4

ARUBA HOTEL ENTERPRISES N.V.,

5

Plaintiff,

6

-against-

3:07 Civ. 1297(JCH)

7

MICHAEL BELFONTI, MCR PROPERTY MANAGEMENT, INC.
and CEB IRREVOCABLE TRUST,

8

Defendants.

9

10

11

May 27, 2008
10:05 a.m.

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Deposition of VICTORIA CARPENTER,

15

held at the offices of Proskauer Rose, LLP, 1585

16

Broadway, New York, New York, before Nicole

17

Cannistraci, a Notary Public within and for the

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State of New York.

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A p p e a r a n c e s :

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19 Q. Who gave that suggestion or
20 instruction?

21 A. I can't tell you whether --
22 specifically -- I can't tell you for sure.

23 Q. Was it somebody -- was it
24 either you or somebody who worked with you up
25 here in the United States?

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1 Victoria Carpenter

2 A. Yes.

3 Q. So, going back to Exhibit 2,
4 there is a reference in Ms. Ras' e-mail to a
5 approximately \$4.9 million Belfonti Capital
6 loan. Do you see that?

7 A. Yes.

8 Q. What is that referring to?

9 A. That's the amounts that were
10 expended by the Belfonti entities on the
11 purchase -- at the time of the purchase of the
12 hotel, that needed to be recorded as loans.

13 Q. Was there a corresponding entry
14 in the books of one or more Belfonti entities
15 that characterize those funds as loans?

16 A. The disbursements from the
17 various Belfonti entities would have been
18 recorded as intercompany loans.

19 Q. On whose books?

20 A. On the entity that disbursed

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the funds.

Q. why would that have been the
case? why would these disbursements have been
recorded on the disbursing entity's books as
loans?

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Victoria Carpenter

A. When funds are received, are
disbursed, they -- the transaction needs to be
recorded on the books of the company. If funds
are being disbursed, it would be a credit to
cash and a debit to a receivable or, in the case
of these, it would be an intercompany account.

Q. During your tenure as
controller of MCR, I take it there were
instances where one Belfonti entity disbursed
money to another Belfonti entity?

A. Yes.

Q. In each of those instances,
were those disbursements internally
characterized as loans?

A. Yes.

Q. And do you know -- was that the
practice from the time that you started at MCR?

A. Yes.

Q. Do you know who originated that
practice?

A. No.

Q. So she -- Ms. Ras goes on to
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15 repeat the question?

16 MR. MERVIS: Sure. To make
17 it understandable, you'll have to do
18 the last three.

19 (Record read.)

20 THE WITNESS: I need to
21 correct the answer before "do you
22 know that."

23 BY MR. MERVIS:

24 Q. Fair enough.

25 A. The question was, BCP being the

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1 Victoria Carpenter

2 lender?

3 Q. Yes, ma'am.

4 A. It was my understanding that
5 BCP was the lender on that.

6 Q. Of the entire 4.9 million?

7 A. Of the -- yes.

8 Q. And what's that understanding
9 based on?

10 MR. NAVARRO: I would
11 instruct the witness, to the extent
12 that her information may come from
13 conversations with counsel, not to
14 testify about those. If you have an
15 independent knowledge, that's
16 obviously fine, or conversations

17 2008 05 27 Final Transcript of Carpenter Deposition.txt
18 with -- where counsel was not
19 present.

19 THE WITNESS: Then I guess
20 counsel was present when I discussed
21 this.

22 BY MR. MERVIS:

23 Q. Do you recall approximately
24 when the discussion was?

25 A. No.

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1 Victoria Carpenter

2 Q. Was it one of the four
3 preparation meetings that you had in advance of
4 this deposition?

5 A. There were conversations before
6 this.

7 Q. Where you believe, again,
8 without telling me what was said, that the
9 subject of this -- who was the lender of this
10 approximately \$4.9 million was brought up?

11 A. Yes.

12 Q. Do you recall who was present
13 during any -- was there one conversation you can
14 recall about that or more than one conversation?

15 A. More than one.

16 Q. Can you recall who was present
17 during -- who participated in any of those
18 conversations?

19 A. They would have been telephone
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the Belfonti companies transferred funds between
companies.

Q. What's your general
understanding?

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Victoria Carpenter

A. My general understanding is
that when an entity needs money and another
entity has the money, the entity that has the
money lends the money to the entity that needs
the money.

Q. I understand that. Go ahead.

A. And, conversely, it can go back
and forth.

Q. I understand that, but we've
seen, I think, on at least the first American
statement, that the alleged originator of funds,
right, was something called MAB Investments,
right?

A. Yes.

Q. And MCR, yes?

A. Yes.

Q. And something called Cash From
Borrower?

A. Yes.

Q. How -- you say that those funds
were actually intended to be loans by BCP; is
that right?

A. Yes.

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25 Q. why?

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1 Victoria Carpenter

2 A. I did not make the decision
3 where the loans came from. For expediency sake,
4 it was often the practice that the funds would
5 come from wherever the money was available, but
6 then the decision would be made who actually was
7 lending the loans and it would be recorded that
8 way.

9 Q. Well, has BCP made transfers to
10 MAB Investments to cover the \$2 million that it
11 dispersed in connection with the closing?

12 A. No.

13 Q. Has --

14 A. Not to my best knowledge, no.

15 Q. Has BCP provided MCR with the
16 \$1.5 million that MCI disbursed in connection
17 with the closing?

18 MR. SLOSSBERG: Objection to
19 form.

20 THE WITNESS: MCR.

21 BY MR. MERVIS:

22 Q. I meant to say MCR. So, thank
23 you.

24 (An off-the-record
25 discussion took place.)

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6 Q. Okay, correct away.

7 A. There have been times in the
8 past where I worked on this, but it was a year
9 and a half ago, two years ago, and I can't
10 remember specifically.

11 Q. When you say worked on this,
12 what do you mean?

13 A. Looked at the numbers that
14 comprised the \$4.9 million.

15 Q. Who asked you to do that?

16 A. I was -- I don't know who
17 specifically asked me to do that. It was to
18 accumulate the total amounts on this \$4.9
19 million and what the payments were made, but I
20 don't remember specifically doing it or that.

21 Q. Has anybody asked you to search
22 for any documents at all in connection with this
23 litigation?

24 A. Yes.

25 Q. Okay. Have you done so?

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1 Victoria Carpenter

2 A. Yes.

3 Q. Where did you look?

4 A. I looked in the accounting
5 records of various entities.

6 Q. Which ones?

7 A. MCR, Belfonti Capital and other

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ones.

8

9

Q. How about MAB Investments?

10

A. Yeah, yes.

11

Q. You did?

12

A. Yes.

13

Q. I think you said before, if you

14

didn't, you'll correct me, but you said it was

15

the intent for this approximately \$4.9 million

16

in disbursements to be considered a loan by BCP?

17

A. Yes.

18

Q. Whose intent was that?

19

A. I don't have specific

20

recollection of being told by anyone.

21

Q. So you're not sure if it was

22

Mr. Belfonti's intent, for example, Michael

23

Belfonti?

24

A. It was the ordinary way that we

25

recorded such transactions, so that it would not

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Victoria Carpenter

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have been -- that would be the way we would do

3

it.

4

Q. I'm sorry, what was the

5

ordinary way that you would record such

6

transactions?

7

A. As intercompany loans.

8

Q. I understand that, but my

9

question was more specific. Who decided these

10

funds, the funds that were disbursed in

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11 connection with the closing, should be
12 characterized as a loan from BCP as opposed to
13 any other Belfonti entity?

14 A. I don't know.

15 Q. You just understood it was the
16 intention?

17 A. Yes.

18 Q. But you don't know whose
19 intention it was?

20 MR. SLOSSBERG: Objection.

21 Asked and answered.

22 MR. MERVIS: Fair enough.

23 BY MR. MERVIS:

24 Q. You can answer.

25 A. That was my understanding.

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1 Victoria Carpenter

2 Q. That wasn't my question,
3 though. My question is do you know whose
4 intention it was to have these amounts
5 characterized as a loan from BCP?

6 MR. SLOSSBERG: Objection to
7 form.

8 BY MR. MERVIS:

9 Q. You can answer.

10 A. Michael Belfonti's.

11 Q. Who decided that -- to take
12 money out of MAB Investments and apply it

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it was going to be filed before it was filed?

9
10 A. I don't recall.

11 MR. MERVIS: Mark this,
12 please.

13 (General Ledger marked
14 Carpenter Exhibit 7 for
15 identification.)

16 BY MR. MERVIS:

17 Q. Ms. Carpenter, the reporter has
18 placed before you what we have had marked as
19 Exhibit 7. This is a fairly heavily redacted
20 document, but there are some line items legible.
21 I'll ask you to review them and let me know if
22 you recognize the portion of the document that
23 is not redacted.

24 A. Yes, I recognize it.

25 Q. What is it?

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1 Victoria Carpenter

2 A. A copy -- copies of the
3 Belfonti Holdings LLC general ledger. The first
4 page is from January 1, 2006 through
5 December 31st, 2006. The third and fourth pages
6 are January 1, 2006 through June 30th, 2007.

7 Q. Okay. So, in the first page --
8 on the first page there are two entries. Do you
9 see those?

10 A. Yes.

11 Q. What are those entries?

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12 A. These -- this is an entry to
13 record the wire to Aruba Hotel Enterprises.

14 Q. The \$500,000?

15 A. Yes.

16 Q. And there is -- the entry for
17 \$500,000, there's three letters, CDJ. Do you
18 see that?

19 A. Yes.

20 Q. What does that stand for?

21 A. Cash disbursements journal.

22 Q. Above that, there is an entry
23 for \$2,500 and it says GENJ. What does that
24 mean?

25 A. General journal.

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1 Victoria Carpenter

2 Q. On the upper right-hand corner
3 there is a code, 1000. Do you see that?

4 A. Upper left-hand corner, 1000 is
5 the general ledger account number in the
6 Belfonti Holdings list of accounts for cash.

7 Q. Why was -- is it -- am I
8 correct that the \$500,000 wire was booked, at
9 least in this instance, under the Belfonti
10 Holdings cash account?

11 A. Yes.

12 Q. Why?

13 A. The funds came out of the

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Belfonti Holdings -- physically came out of the

Belfonti Holdings' account.

Q. Turn the page, please. There
is only one entry on the page that we can see,
anyway. What is that entry?

A. This is the offset to the entry
that was shown on the previous page. The
previous page is showing a subtraction from
cash, which is a credit from cash of 500,000
plus the 2,500 wire fee. The second page is
showing the recording of the receivable of that
500,000. It was recorded as a receivable due
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from Aruba Hotel.

Q. The account code 2206, what is
that a code for?

A. General ledger intercompany
account code for Aruba Hotel.

Q. Is there a corresponding entry
in AHE's books and records for this \$500,000?

A. To the best of my knowledge,
yes.

Q. What is that knowledge based
on?

A. My looking at the Aruba Hotel
Enterprises general ledger.

Q. Looking at it when?

A. I have the records of AHE
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17 through April of '06.

18 Q. But when was the last time that
19 you looked at it?

20 A. A week ago.

21 Q. Did you do anything -- at the
22 time of the wiring of the \$500,000, did you do
23 anything to cause a corresponding entry to be
24 made in AHE's books and records?

25 A. Only informing Marieta that the
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1 Victoria Carpenter
2 transfer had been made.

3 Q. That was -- how was that
4 information passed along?

5 A. To the best of my knowledge, an
6 e-mail.

7 Q. The entry that you think is on
8 AHE's books for this \$500,000 wire, what --
9 generally speaking, how is the amount
10 characterized?

11 A. As a loan payable to Belfonti.

12 Q. To Belfonti?

13 A. I don't recall if it's called
14 Belfonti Companies or Belfonti Capital, but I
15 believe now it says Belfonti Capital.

16 Q. Do you know why -- do you know
17 who made that entry?

18 A. Marieta or Alcira.

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19 Q. Do you know why they made the
20 entry in that way? In other words, why did they
21 characterize it as a loan?

22 A. Because it was a loan.

23 Q. What I'm asking is, did you
24 have any conversations with them about how that
25 wire should be characterized?

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1 Victoria Carpenter

2 A. No.

3 Q. It wasn't your practice to
4 ensure that when intercompany loans were made,
5 that the borrower recorded the transaction as a
6 loan on its books?

7 MR. SLOSSBERG: Objection to
8 form.

9 THE WITNESS: Marieta Ras was
10 completely in charge of the
11 accounting operation down in Aruba.
12 She made all the journal entries.
13 She gave me copies of the ledgers. I
14 did look at them. I don't recall
15 ever telling her to correct or change
16 anything in the ledgers.

17 BY MR. MERVIS:

18 Q. That wasn't my question.

19 A. But you asked me if I was
20 assuring it was recorded correctly?

21 Q. Was that your practice, yeah.

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1 Victoria Carpenter

2 Q. What were the terms of this
3 alleged \$500,000 loan?

4 A. It was an intercompany loan.

5 Q. Did it have any terms that you
6 know of beyond its mere existence as an
7 intercompany loan?

8 MR. SLOSSBERG: Objection to
9 form.

10 THE WITNESS: Not to my
11 knowledge.

12 BY MR. MERVIS:

13 Q. Did AHE agree to pay interest?

14 A. Not to my knowledge. I don't
15 know.

16 Q. Go back to Exhibit 5, please.
17 Go to the second page.

18 MR. NAVARRO: If you are
19 going to move into the next
20 transactions, maybe we should take
21 the 12:30 break now. I don't know if
22 that's where you are going.

23 MR. MERVIS: It is.

24 (An off-the-record
25 discussion took place.)

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1 Victoria Carpenter

2 (Lunch recess: 12:25 p.m.)
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3 (Resumed: 1:15 p.m.)

4 V I C T O R I A C A R P E N T E R, having been
5 previously duly sworn, was examined and testified
6 further as follows:

7 CONTINUED EXAMINATION

8 BY MR. MERVIS:

9 Q. Ms. Carpenter, did you know
10 that Mr. Michael Belfonti had his deposition
11 taken in this litigation a little while ago?

12 A. Yes.

13 Q. Have you read the transcript of
14 his testimony?

15 A. No.

16 Q. Take a look at Exhibit 5,
17 please, second page.

18 MR. MENCHEL: Did you say 5?

19 MR. MERVIS: I did.

20 BY MR. MERVIS:

21 Q. Do you recognize the e-mail
22 that's in Exhibit 5, of the second page of
23 Exhibit 5?

24 A. Yes.

25 Q. What, generally speaking, is
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1 Victoria Carpenter
2 the subject of this e-mail?

3 A. The December 10th mortgage
4 payment, there was -- there was a shortfall, and

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Belfonti Companies sent money to Wachovia to

cover the shortfall on behalf of AHE.

Q. The mortgage was the mortgage
loan that was made by Wachovia; is that right?

A. Yes.

Q. When you say there was a
shortfall, what does that mean?

A. The amount of funds sent to
Wachovia under the cash management agreement
after filling the three -- first three or four
buckets and then after sending money back to
Starwood, the hotel, for operating expenses,
there was not enough money to cover the interest
payment.

Q. The money had to come from
somewhere else?

A. Yes.

Q. The somewhere else was one of
the other Belfonti entities?

A. Yes.

Q. What, to your understanding,
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Victoria Carpenter
would have happened had the shortfall not been
paid?

MR. MENCHEL: Objection.

BY MR. MERVIS:

Q. You can answer.

A. My understanding is it would
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20 A. I don't know.

21 Q. So if -- I realize you said you

22 weren't sure, but if the 12/16 notation were

23 Ms. Ras' handwriting, you don't know how she

24 came to make that notation; is that correct?

25 A. That's correct.

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□

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1 Victoria Carpenter

2 Q. Was this fund transfer a loan?

3 A. Yes.

4 Q. Who was the lender?

5 A. Belfonti Capital.

6 Q. Capital Partners?

7 A. Yes.

8 Q. Who was the partner?

9 A. Aruba Hotel Enterprises.

10 Q. And who, on behalf of Belfonti

11 Capital Partners, made the decision to make this

12 loan?

13 MR. MENCHEL: Objection to

14 form.

15 BY MR. MERVIS:

16 Q. You can answer.

17 A. Michael Belfonti.

18 Q. Who, on behalf of Aruba Hotel

19 Enterprises, made the decision to accept this

20 loan?

21 MR. MENCHEL: Objection to

22 form.

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23 BY MR. MERVIS:

24 Q. You can answer.

25 A. That, I don't know.

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1 Victoria Carpenter

2 Q. Who negotiated the terms of
3 this loan?

4 A. I don't know.

5 Q. Were there any terms of this
6 loan?

7 MR. SLOSSBERG: Objection to
8 form.

9 THE WITNESS: I don't know.
10 I have a question.

11 BY MR. MERVIS:

12 Q. At any time.

13 A. Your question was who on behalf
14 of Aruba Hotel Enterprises accepted --

15 Q. Agreed to be a borrower.

16 A. Okay. I don't know.

17 Q. Going back for a moment to
18 Exhibit 7, I may have asked you this; if I did,
19 I apologize. Who made the entries that are not
20 redacted on Exhibit 7?

21 A. I don't know.

22 Q. Was it either you or somebody
23 working for you?

24 A. Yes.

25 2008 05 27 Final Transcript of Carpenter Deposition.txt
MR. MERVIS: Mark this,

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1 Victoria Carpenter

2 please.

3 (General Ledger marked
4 Carpenter Exhibit 10 for
5 identification.)

6 BY MR. MERVIS:

7 Q. All right. Ms. Carpenter, the
8 reporter has placed in front of you what we've
9 had marked for identification as Exhibit 10.
10 I'll ask you, notwithstanding the redactions,
11 whether you recognize the document?

12 A. Yes.

13 Q. What is it?

14 A. It is a copy of the general
15 ledger of Belfonti Capital Partners.

16 Q. On the first page of the
17 exhibit, you'll see there is a loan entry that's
18 not redacted.

19 A. Yes.

20 Q. What is that transaction?

21 A. It is a transaction dated
22 December 8th, 2006 reflecting a wire on behalf
23 of Aruba Hotel Enterprises.

24 Q. And this is the transaction
25 that you say was a loan from BCP to AHE that was

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1 Victoria Carpenter

2 used to pay the mortgage or the interest on the
3 mortgage?

4 A. Yes.

5 Q. Who made this entry?

6 A. I don't know.

7 Q. You or somebody working for
8 you?

9 A. Yes.

10 Q. And going to the second page of
11 Exhibit 10 --

12 A. This is the offset of the
13 entry. The debit was to the intercompany
14 account, the credit was to cash.

15 Q. Who made the entry on the
16 second page?

17 A. Either me or somebody who works
18 for me.

19 Q. Go to the third page, please.
20 There is a single, unredacted entry on the third
21 page of Exhibit 10. Who made that entry?

22 A. This is the same as the first
23 page.

24 Q. Well, it would appear to be,
25 but this is how it was provided to us by your

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9 conversation between Michael Belfonti and Rob
10 Varrone. Do you see that on the first paragraph
11 of your e-mail?

12 A. Yes.

13 Q. Do you know what that
14 conversation was about?

15 A. I don't recall.

16 Q. Did Mr. Belfonti instruct you
17 to do something subsequent to that conversation?

18 A. I don't recall that
19 Mr. Belfonti it said to me or did not say to me.
20 I'm only being able to see what I wrote here.

21 Q. Fair enough. Do you know why
22 you sent this e-mail, the one on January 9th
23 of -- at 10:13 a.m. to Mr. Rosenberg and the
24 others listed?

25 A. To inform them that the funds
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1 Victoria Carpenter

2 were being sent.

3 Q. Why were funds being sent?

4 A. There was not enough money in
5 the Wachovia lockbox account to cover the
6 mortgage payment.

7 Q. I see. So this was another
8 shortfall situation as had -- same as what
9 existed in December of '06?

10 A. Yes, yes.

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11 Q. But now the shortfall was
12 bigger than it was in December of '06, correct?

13 A. Yes.

14 Q. And what's your understanding
15 as to what would have happened had these funds
16 not been wired to Wachovia?

17 MR. MENCHEL: Objection to
18 form.

19 MR. SLOSSBERG: Objection to
20 form.

21 BY MR. MERVIS:

22 Q. You can answer.

23 A. The -- we would have lost the
24 ownership of the hotel.

25 Q. Who is "we"?

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□

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1 Victoria Carpenter

2 A. I'm sorry, the Belfonti entity,
3 the owners -- the Belfonti owners of the hotel.

4 Q. Michael Belfonti and his
5 companies?

6 A. The owners of the hotel.

7 Q. And -- all right. Where did
8 these funds come from then, this roughly
9 1.8 million?

10 A. 1.3 was disbursed from one of
11 the Belfonti companies. The other 500,000,
12 roughly, was borrowed from Michael Belfonti's
13 mother, Constance Belfonti.

12 2008 05 27 Final Transcript of Carpenter Deposition.txt
12 BY MR. MERVIS:

13 Q. Yes.

14 A. It was my assumption, it was
15 always in my knowledge. I don't know where it
16 came from. They were intercompany loans.

17 Q. You shared that assumption with
18 Marieta Ras; is that correct?

19 A. Yes.

20 MR. MERVIS: Let me ask the
21 reporter to mark this, please.

22 (General Ledger marked
23 Carpenter Exhibit 14 for
24 identification.)
25

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1 Victoria Carpenter

2 BY MR. MERVIS:

3 Q. Ms. Carpenter, the reporter has
4 placed in front of you what we've had marked for
5 identification as Exhibit 14. Again, lots of
6 redactions, but I'll ask you if you recognize at
7 least the portions that aren't redacted?

8 A. Yes.

9 Q. What is this exhibit?

10 A. This is a copy of a portion of
11 the MCR Property Management general ledger for
12 the property October 1, 2006 through June 30th,
13 2007.

14 Q. The first page of Exhibit 14
Page 122

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15 you'll see two entries. For the moment, I want
16 to address you to the 1/8/07 entry.

17 A. Yes.

18 Q. What transaction does that
19 relate to?

20 A. The wire that was sent to
21 Harlow Adams and Friedman.

22 Q. For a little more than
23 \$1.3 million?

24 A. Yes.

25 Q. Which you say was a loan made
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1 Victoria Carpenter

2 to AHE?

3 A. Yes.

4 Q. Who made this entry?

5 A. Either I did or someone who
6 works for me.

7 Q. The second page of the exhibit
8 you'll see a corresponding entry; is that right?

9 A. Yes.

10 Q. Who made that entry?

11 A. Either I did or someone that
12 works for me.

13 Q. You can put it aside, but not
14 too far away because I'm going to come back to
15 it. You also said there was a loan, if I got it
16 wrong you'll tell me, you said there was a loan

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for \$500,000 made by Michael Belfonti's mother?

17

18

A. Yes.

19

Q. Tell me everything you know

20

about that alleged loan.

21

MR. NAVARRO: Objection to

22

form.

23

THE WITNESS: Ms. Belfonti

24

borrowed money from the Constance

25

Belfonti Irrevocable Trust. It was

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1

Victoria Carpenter

2

secured by a mortgage on their home.

3

Then the -- essentially all the funds

4

were then loaned to -- loaned for the

5

payment of the additional money

6

needed to come up with the

7

1.8 million.

8

BY MR. MERVIS:

9

Q. To pay the Wachovia mortgage?

10

A. Yes.

11

Q. In January of '07?

12

A. Yes.

13

Q. So, forgive me if I asked this,

14

I may have, you don't know who Ms. Belfonti

15

loaned the money to in the first instance?

16

MR. NAVARRO: Objection.

17

Asked and answered.

18

MR. MERVIS: Predictable.

19

BY MR. MERVIS:

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20 Q. You can answer.

21 MR. NAVARRO: So was your
22 question.

23 THE WITNESS: That's correct.

24 BY MR. MERVIS:

25 Q. Your understanding is that

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1 Victoria Carpenter

2 \$500,000 ultimately became a loan to AHE; is
3 that right?

4 A. Yes.

5 Q. But you don't know who the
6 lender was?

7 MR. SLOSSBERG: Objection to
8 form.

9 THE WITNESS: Yes.

10 BY MR. MERVIS:

11 Q. I'm sorry, it's a bad question.

12 Do you know who the lender was?

13 MR. NAVARRO: Objection.

14 Asked and answered for the third
15 time.

16 THE WITNESS: No.

17 BY MR. MERVIS:

18 Q. Who made the decision, on
19 behalf of the lender, to make this approximately
20 \$500,000 loan to AHE?

21 A. Michael Belfonti.

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22 Q. How do you know that?

23 A. I don't know.

24 Q. You just know it, but you don't

25 know why you know it?

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1 Victoria Carpenter

2 A. Yeah.

3 Q. Fair enough. There are things

4 like that in life.

5 A. I don't remember the specifics.

6 Q. Who, on behalf of AHE, agreed

7 to be the borrower?

8 MR. SLOSSBERG: Objection to

9 form.

10 THE WITNESS: I don't know.

11 BY MR. MERVIS:

12 Q. Who negotiated the terms of

13 this alleged loan?

14 MR. SLOSSBERG: Objection to

15 form.

16 THE WITNESS: I don't know.

17 BY MR. MERVIS:

18 Q. What were the terms of this

19 loan?

20 MR. SLOSSBERG: Objection to

21 form.

22 BY MR. MERVIS:

23 Q. The money originally came out

24 of, I think you said, the Constance E. Belfonti

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25 Irrevocable Trust?

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1 Victoria Carpenter

2 A. Yes.

3 Q. Where is that located?

4 MR. SLOSSBERG: Objection to
5 form.

6 THE WITNESS: I don't know
7 what that means, where is it located.

8 BY MR. MERVIS:

9 Q. Is the trust -- does it reside
10 in some state in the United States?

11 A. Connecticut, I believe.

12 Q. And Ms. Belfonti, where did she
13 live back in January of 2007?

14 A. Connecticut.

15 Q. The money ultimately wound up
16 with Wachovia in North Carolina; is that right?

17 A. Yes.

18 (An off-the-record
19 discussion took place.)

20 (A recess was taken.)

21 BY MR. MERVIS:

22 Q. Looking at the first page of
23 Exhibit 14, the second entry, the one we didn't
24 look at before, do you know what that -- do you
25 know what transaction that entry relates to?

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1 Victoria Carpenter

2 A. That relates to the March 9th
3 wire to Wachovia, to cover the mortgage
4 shortfall.

5 Q. So, again, that was a wire --
6 that was money that came from a Belfonti entity
7 other than AHE?

8 A. Yes.

9 Q. That was used to pay AHE's
10 mortgage?

11 A. Yes.

12 Q. So there wouldn't be a default?

13 A. Yes.

14 Q. So the Belfonti entities could
15 continue to own the hotel?

16 A. Yes.

17 Q. Does that one point --
18 approximately \$1.1 million transaction, is that
19 a loan?

20 A. Yes.

21 Q. Who was the alleged lender?

22 A. The alleged lender?

23 Q. Yes, in your mind, who was the
24 lender?

25 A. Actually, I want to clarify.

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1 Victoria Carpenter

2 It was one of the Belfonti entities, and when I
3 said to you before it was definitely Belfonti
4 Capital, I know it's one of the Belfonti
5 entities. Because they are closely related, I
6 can't really say for sure which entity it was
7 that was lending the money.

8 Q. Let me ask you a question. We
9 just took a break a few minutes ago. Did you
10 discuss the subject of the testimony that you
11 gave me during the course of the break?

12 MR. SLOSSBERG: I object.
13 That calls for revealing discussions
14 with counsel. I instruct her not to
15 answer that.

16 BY MR. MERVIS:

17 Q. Did one or more of the
18 attorneys in the room tell you you made a
19 mistake and that you should correct your
20 testimony?

21 MR. SLOSSBERG: Same
22 objection, same instruction.

23 BY MR. MERVIS:

24 Q. So, going back to the
25 \$1.3 million approximately, what you're saying
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1 Victoria Carpenter

2 now is that you're not sure which Belfonti